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SUBJECT: SHANGHAI ACADEMIC HUANG RENWEI ON POLITICS, FOREIGN AND DOMESTIC

REF: SHANGHAI 308

CLASSIFIED BY: Kenneth Jarrett, Consul General, U.S. Consulate Shanghai, Department of State.  
REASON: 1.4 (b), (d)

¶1. (C) Summary. On May 25, Consul General met with Shanghai Academy of Social Sciences Vice President Huang Renwei, one of Shanghai's leading Americanologists. Huang had a positive appraisal of Shanghai Party Secretary Xi Jinping thus far; in another six months, he will have mastered his brief sufficiently so that a replacement could be named for current Mayor Han Zheng. Vice Premier Wu Yi and State Councillor Tang Jiaxuan, who between share responsibility for foreign affairs in the State Council, would probably be replaced by Minister of Commerce Bo Xilai and Executive Vice Foreign Minister Dai Bingguo, but who would be superior and who subordinate was the key question. Huang was optimistic on cross-straits relations, regardless of whether Hsieh Chang-ting or Ma Ying-cheou was the next Taiwan leader. Huang believed that China's interests would be best served by a long view and a willingness to set aside final status considerations for a long time to come. Huang was also suspicious of Russian efforts to draw China into an anti-U.S. bloc. End Summary.

The New Party Secretary  
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¶2. (C) On May 25, Consul General met with Huang Renwei, Shanghai Academy of Social Sciences (SASS) Vice President and Senior Fellow. Huang, who had just returned from a conference in Berlin, is a leading foreign policy advisor for the municipal government, and has retained this status (so far) under Xi Jinping, Shanghai's new party secretary. Huang had provided some input on international issues for the Party Secretary's work report (ref a). Although the work report was focused almost entirely on Shanghai's domestic economic development, Huang observed that numerous foreign policy developments --

including exchange-rate developments, cross-straits relations (in the form of likely implementation of the "three links" after Taiwan's next presidential election) and trade friction with the United States -- would have a major impact on Shanghai and it was thus important for the city leadership to follow these issues. Huang, who has worked closely with many Shanghai leaders including Wang Daohan and Xu Kuangdi, observed that the Shanghai leaders who moved on to positions in Beijing had always shown a lively interest in international issues. Xi did have an interest in such topics, unlike his now disgraced predecessor Chen Liangyu, who Huang claimed had cared little about matters outside of Shanghai.

13. (C) Xi has yet to visit SASS, though he has met with its President. He is still in the initial stages of becoming familiar with all facets of Shanghai, which is very complicated. Through the process of compiling the work report, Xi has now gained basic knowledge of all issues facing him. Political issues are also complicated. For example, Xi needed to know the Party leaders at the district level and even have some familiarity with all of the 810 delegate to the Shanghai Party Congress, since they all effectively answer to him. Huang thought that Mayor Han Zheng would be replaced, but not for at least six months. To replace both Party Secretary and Mayor so close in time, and with outsiders unfamiliar with Shanghai's nuances, would be much too disruptive. It would probably take Xi another six months to master the situation.

SED and the Succession to Wu Yi  
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14. (C) Having only returned from Berlin the previous day, Huang did not have a considered view of the just-concluded second session of the Strategic Economic Dialogue. However, he questioned Wu Yi's capacity to properly manage the intricacies

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of U.S.-China relations. Huang said that Wu Yi was "not like Yang Jiechi, much more fierce." Wu Yi had succeeded to Qian Qichen's position as Vice Premier, but she had not assumed all of Qian's responsibilities, keeping foreign economic relations and turning over traditional foreign policy and Taiwan affairs to State Councillor Tang Jiaxuan. In any case, Wu Yi would step down next year. Huang expected that Minister of Commerce Bo Xilai would replace her. The outcome he would like to see, in fact, would be for Executive Vice Foreign Minister Dai Bingguo to fill the former Qian Qichen Vice Premier-position, and Bo Xilai could then become a State Councillor with responsibility for foreign economic relations, under Dai. Dai has a good relationship with Hu Jintao going back to Hu's vice-presidential days, when Dai was in charge of the Central Committee's International Liaison Department (ILD). At the time, Jiang Zemin kept Hu Jintao out of foreign policy, with the exception of relations with fraternal parties, the responsibility of the ILD. If the outcome is the reverse, with Bo becoming a Vice Premier and Dai reporting to him, it would not be very good. Bo, according to Huang, does not understand international relations very well.

Patient Optimism on Taiwan  
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15. (C) At the conference in Berlin, Huang had encountered a Deputy Director of the State Council's Taiwan Affairs Office (TAO), who was there for an exhibition on Cross-straits relations sponsored by an anonymous wealthy overseas Chinese. Huang found the key slogan at the exhibition very interesting: "One China: Peaceful Development." (Yige Zhongguo: Heping Fazhan) This was a new formulation, avoiding the use of "one country two systems," and "peaceful unification," more common formulations. In the near term, Huang was confident that the "three links" would be implemented not long after Taiwan's presidential election, whether Hsieh Chang-ting or Ma Ying-cheou were the victor. Of course, it was still necessary to guard against disruptive acts by Chen Shui-bian, Huang said.

16. (C) In general Huang was optimistic about cross-straits relations. He believed that it was better for China to move very slowly and gradually in addressing the "Taiwan problem." Everywhere in the world where there had been a re-unification of a formerly divided nation, there were serious problems. Vietnam had unified through war, and it had difficulty integrating the parts. North and South Yemen's unification had not gone well. Germany had probably handled reunification best, but it was still far from perfect. Taiwan has had more than 110 years of separation from the mainland, five full generations. The people there did not consider themselves Chinese, nor were they willing to be ruled by China. On the mainland, however, Taiwan was seen by some as unfinished business from the Civil War and, as a part of the "family," it was China's prerogative to do what it pleased, including reunification through force, when it pleased, even tomorrow. From Huang's point of view, it would be much better for China to take a long view and not raise unification or other final status-type issues until self-perceptions on both sides of the straits had changed. Huang believed that Hu Jintao held a similar perspective. Certainly, if China were to use force to take over Taiwan, it would be a disaster, "like Iraq." Thus, there would still be a "Taiwan problem" after forced unification.

2008: Year of Decision

17. (C) Huang noted that next year would be a year of major political transition worldwide. Germany and France have already gone through their leadership transitions, and the U.K. was about to go through its own. The Taiwan, U.S. and Russian presidential elections in 2008 would all be important. In particular, Huang thought that the Russian election would be crucial. He quipped that, at present, Secretary Rice was probably Putin's biggest headache. Because of Russia's

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uncertain succession, Russia was probably seeking external political problems to maintain internal unity. Huang added that, although Russia seemed to be seeking one, it would definitely not be in China's interests to join Russia in an anti-U.S. bloc.

JARRETT